

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|------------------------------------|---|------------|
| NOTICE OF GAS COST ADJUSTMENT |) | CASE NO. |
| FILING OF BELFRY GAS COMPANY, INC. |) | 2005-00359 |

ORDER

On October 11, 1993, in Case No. 1993-00111, the Commission approved rates for Belfry Gas Company, Inc. ("Belfry") and provided for their further adjustment in accordance with Belfry's gas cost adjustment ("GCA") clause.¹

On September 6, 2005, Belfry filed its GCA to be effective October 1, 2005. It subsequently requested a waiver of the 30-day notice period in order to implement its new rate at the beginning of its billing cycle. As KRS 278.180 permits the Commission to shorten the required notice period for good cause, the Commission finds the request should be granted.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Belfry's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Belfry's proposed expected gas cost ("EGC") is \$9.6503 per Mcf, which is an increase of 88.98 cents per Mcf from the previous EGC of \$8.7605.

¹ Case No. 1993-00111, Adjustment of Rates of Belfry Gas Company, Incorporated and for Authority to Incur Additional Indebtedness, Order dated October 11, 1993.

3. Belfry's notice sets out no current quarter refund adjustment ("RA"). Belfry's notice sets out a total RA of .06 cent which is no change from the prior total RA.

4. Belfry's notice sets out a current quarter actual adjustment ("AA") of (1.98) cents per Mcf. Belfry's notice sets out a total AA of (11.79) cents per Mcf, which is a decrease of 6.11 cents from the previous total AA.

5. Belfry's notice sets out no balance adjustment.

6. Belfry's GCA is \$9.5318 per Mcf, which is 82.87 cents per Mcf more than the previous rate of \$8.7031.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Belfry on and after October 1, 2005.

IT IS THEREFORE ORDERED that:

1. Belfry's request to shorten the period in which it must provide notice of the proposed adjustment from 30 days to 20 days is granted.

2. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after October 1, 2005.

3. Within 20 days of the date of this Order, Belfry shall file with this Commission its revised tariff sheets setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 22nd day of September, 2005.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2005-00359 DATED September 22, 2005

The following rates and charges are prescribed for the customers served by Belfry Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RETAIL RATES:

Monthly usage

| | <u>Base Rate</u> | <u>Gas Cost Recovery Rate</u> | <u>Total</u> |
|--|------------------|---------------------------------------|--------------|
| First 1,000 cubic feet (Minimum Bill) | \$4.2667 | \$9.5318 | \$ 13.7985 |
| Over 1,000 cubic feet | \$2.7182 | \$9.5318 | \$ 12.2500 |